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June 16, 2007

AGENDA ITEM 8

TO: MEMBERS OF THE FINANCE COMMITTEE

- I. SUBJECT:** 2006-09 Three-Year Business Plan
(Semi-Annual Update)
- II. PROGRAM:** Systemwide
- III. RECOMMENDATION:** Approve the semi-annual update of the 2006-09 Three-Year Business Plan. Upon approval, staff will transmit the update for the 2006-09 Three-Year Business Plan to the Joint Legislative Budget Committee, Fiscal Committees of the Legislature, the State Controller, and the Department of Finance in accordance with the budget Act of 2004; and the Legislative Analyst's Office and the State and Consumer Services Agency.
- IV. ANALYSIS:**

The CalPERS Board of Administration formally adopted the CalPERS Strategic Plan in 2005 and the supporting CalPERS Three-Year Business Plan in September 2006. In the CalPERS Three-Year Business Plan, the organization established specific business objectives targeted for the 2006-07 through the 2008-09 fiscal years. This report is the second formal semi-annual reporting of accomplishments on the objectives.

The information contained in this agenda will be transmitted to the entities stated above in accordance with control language included in the Budget Act of 2004. This transmission will take place upon approval of this agenda item by the Committee and the Board of Administration.

2006-09 June Strategic Plan Update

The semi-annual update of the 2006-09 CalPERS Three-Year Business Plan is presented for your approval. This report reflects the progress and status from December 19, 2006 through May 30, 2007. During this period, one reportable business objective, related to Goal XI, has been completed. The status is as follows:

Goal XI. Promote the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes.

Objective #11.1 – By January 1, 2007, at least one CalPERS contracting health plan will implement an incentive program to encourage members to make healthier lifestyle choices.

- **Completed** – On January 1, 2007, Blue Shield Health Plan implemented its Healthy Lifestyle Rewards Program for CalPERS members.

Conclusion

Objective 11.1 (reported above) and Objective 6.1 (reported in December 2006) are the first two objectives of the current Three-Year Business Plan to be completed. Work continues on completing the remaining objectives from the three-year business plan, 10 of which have a December 2007 deliverable date.

The next status update is scheduled for the December 2007 Finance Committee meeting.

V. RESULTS/COSTS:

Cost and resource needs associated with the projects and other activities identified in the Three-Year Business Plan are included have already been allocated.

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